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State highway projects stall out in face of shortfall

\$171 mil in funds from feds uncertain

by [Glen Creno](#) - Sept. 6, 2008 12:00 AM
The Arizona Republic

Arizona is delaying as much as \$171 million in new highway projects funded by federal money as Congress

The federal fund that helps pay for transportation projects nationwide faces an \$8 billion shortfall. Congress fund the shortage but is running out of time because the fiscal year ends Sept. 30.

The failure to produce a solution forced Arizona on Friday to table highway projects that range from the \$3 of Gila Bend to \$4 million for improvements to the intersection of Interstates 10 and 19 near Tucson.

"We can't move forward on an IOU system," said Doug Nintzel, spokesman for the Arizona Department of

At the center of the trouble is the Highway Trust Fund, a federal program that's not a household name but Arizona and every other state. The fund collects federal gas taxes and distributes them to states.

It's no surprise that the fund is headed for the skids. People are driving less, and cars get better mileage. I sharp downturn in driving and accelerated the problem.

U.S. Transportation Secretary Mary Peters announced Friday that beginning next week federal payments rather than twice a day. Another money-preserving move: Payments will be prorated depending on how m

A state can get the balance of its money the following week as well as a new, prorated amount. Arizona is in the new federal fiscal year.

Peters called on Congress to pass legislation funding the shortfall by the end of next week.

The bill has cleared the House of Representatives but not the Senate.

"If Congress acts in a timely manner, we don't expect this to have an impact on states," said U.S. Departm Turmail.

Valley freeways are funded mainly through Proposition 400 sales-tax collections but do get some federal r freeway projects are being frozen but ADOT continues to evaluate them and other projects.

The moves by Peters, a former head of ADOT, led Gov. Janet Napolitano and ADOT Director Victor Mencia funding issue.

Napolitano said in a statement that federal mismanagement forced the state to delay "vital highway project congestion and a need for economic stimulation."

Mendez noted that the pending funding gap was not secret but blamed "a deficit of leadership" for the crisis.

The funding mess comes on the heels of the disqualification of a ballot initiative that would have raised \$4 increase in the state sales tax.

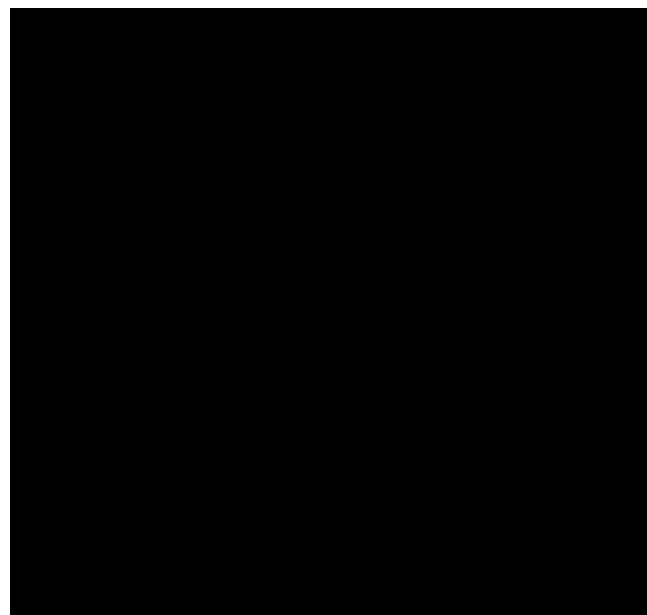
"The big lesson here is another stark reminder that we can't keep going down this road" in transportation funding for the Federal Highway Administration.

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